

## EXPO UNGAVA MINES LIMITED

25 Adelaide St. West

Toronto

## TO THE SHAREHOLDERS:

We present, herewith, the Annual Report of your company, along with notice of the Annual Meeting, financial statement, and proxy form.

Diamond Drilling operations at our Ungava property during 1968 returned excellent results. Supply problems caused an early termination of activities, an unfortunate happening as weather conditions remained suitable for operating well into the winter months.

In December, 1968, an agreement was entered into with Amax of Canada Inc., a subsidiary of American Metal Climax Inc., of New York, in which Amax underwrote 300,000 Expo Ungava Mines Limited shares at \$1.00 per share and optioned 300,000 shares at \$1.25 per share, exercisable by July 2, 1969. Under the terms of the agreement another subsidiary, Amax Exploration Quebec Ltd., is to manage the Ungava property on a yearly contract basis.

Amax Exploration Quebec Ltd. have presented an initial program proposal involving the expenditure of a sum in excess of \$400,000.00 during the present season. The program will consist of diamond drilling with 2 machines, airborne and ground geophysical surveying, and geological mapping. The main effort will be directed at expanding the size of the orebody. Consideration will be given, dependent on results, to an enlargement of the diamond drilling program later in the season, and there is a possibility drilling operations will be carried on right through the winter months. Extensive metallurgical testing will be carried out on the drill core to determine the nickel-copper-precious metal recovery characteristics of the mineralization.

Preliminary to the beginning of this year's field activities Amax have conducted a computerized geostatistical study of available drill hole information from our property. This study, carried out by the Operations Research Department of Ecole Polytechnique, Montreal, under the direction of AMAX Exploration, provides the following estimated averages;

"Tonnage outlined (in tons) .....	18,574,880	precision	± 16%
Nickel grade (in %) .....	.47%	"	± 15%
Copper grade (in %) .....	.52%	"	± 15%
Thickness of ore (in feet) .....	136	"	± 13%

The precision figures for the grades and tonnage listed above have been calculated from the mathematical characteristics of the part of the deposit drilled to date using computer data processing.

The geostatistical model generated by the study is also being used to optimize exploration expenditures by locating drill sites on the possible strike extension of the deposit that will provide the most information without seriously impairing the precision on the ore reserve estimates.

The program now available will be updated as additional assay data is obtained during the 1969 drilling program."

In the same area of the Ungava Nickel Belt New Quebec Raglan Mines Limited have announced plans for an underground exploration program, as well as continued surface diamond drilling of their large holding. They have also acquired additional property adjoining ours, to the west. Asbestos Corporation, now controlled by General Dynamics, are studying the possibility of installing facilities for large scale production at their Asbestos property, which is located 25 miles from Expo Ungava. Other major mining companies have become interested in mineral showings on the same belt.

We should like to pay tribute to the sincere encouragement and co-operation received from the Mining Branch of the Government of the Province of Quebec, and to the inspiring leadership of American Metal Climax Inc. Their enthusiastic participation may hasten, by many years, the economic benefits which will accrue to many, many Canadians if our promising venture reaches a successful conclusion.

On behalf of the Board

ROY HAMILTON  
President

May 16th, 1969.



# EXPO UNGAVA MINES LIMITED

(Incorporated under the laws of Ontario)

## BALANCE SHEET AS AT DECEMBER 31, 1968

### ASSETS

	1968	1967
Cash .....	\$ 24,048.57	\$ 20,652.39
Cash on deposit .....	75,000.00	125,000.00
Accounts receivable .....	427.57	428.00
Prepaid expense .....	2,291.90	942.00
	<u>101,768.04</u>	<u>147,022.39</u>
Mining properties — at cost (note 1) .....	79,941.00	76,050.00
DEFERRED EXPENDITURE:		
Supplies and equipment at or en route to the property — at laid down cost .....	149,927.19	84,655.40
Exploration and development .....	199,961.75	61,233.35
Administration and general .....	21,660.98	11,878.19
Organization expense .....	4,365.07	4,365.07
	<u>375,914.99</u>	<u>162,132.01</u>
	<u>\$ 557,624.03</u>	<u>\$ 385,204.40</u>

### LIABILITIES

#### CURRENT LIABILITIES:

Accounts payable .....	\$ 2,619.03	\$ 5,199.40
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### SHAREHOLDERS' EQUITY

#### CAPITAL STOCK: (notes 2, 3 and 4)

Authorized: 5,000,000 shares of \$1.00 each		
Issued and fully paid: 2,400,005 shares .....	2,400,005.00	2,050,005.00
Less: Discount on shares .....	1,845,000.00	1,670,000.00
	<u>555,005.00</u>	<u>380,005.00</u>
	<u>\$ 557,624.03</u>	<u>\$ 385,204.40</u>

See notes to financial statement

Approved on behalf of the Board:

ROY HAMILTON, Director

D. F. BURT, Director



# EXPO UNGAVA MINES LIMITED

## NOTES TO FINANCIAL STATEMENT

December 31, 1968

1. MINING PROPERTIES:

387 mining claims in Townships 8029 and 8030 New Quebec Territory, Quebec acquired for 750,000 shares of capital valued by the directors at 10 cents per share and \$4,941.00 cash ..... \$79,941.00

2. CAPITAL STOCK:

Under Supplementary Letters Patent dated November 13, 1968 the Company increased its authorized capital stock from \$3,000,000.00 to \$5,000,000.00 by the creation of an additional 2,000,000 shares of \$1.00 each.

3. CAPITAL STOCK:

During the year ended December 31, 1968 the Company issued 350,000 shares of capital stock for \$175,000.00 cash.

4. CAPITAL STOCK:

Under a Memorandum of Agreement dated December 19, 1968 the Company has agreed to enter into a formal agreement to issue 300,000 shares of capital stock for \$300,000.00 cash, payable upon the date of signing of the formal agreement and subject to approval of the Ontario Securities Commission, to a Company that will act as manager of field operations on the Company's Ungava claims during the 1969 season. In addition the Company will grant to the purchaser an option on 300,000 shares of capital stock at \$1.25 per share exercisable at any time from the date of signing of the formal agreement to July 2, 1969.

5. Directors and senior officers remuneration:

During the year ended December 31, 1968 the Company paid \$3,000.00 in direct remuneration to directors and senior officers.

## AUDITORS' REPORT

To the Shareholders of

Expo Ungava Mines Limited

We have examined the balance sheet of Expo Ungava Mines Limited as at December 31, 1968 and the statements of deferred expenditure and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at December 31, 1968 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

TORONTO, Canada  
January 21, 1968.

NEFF, GOODWIN & CO.  
Chartered Accountants



# EXPO UNGAVA MINES LIMITED

## STATEMENT OF DEFERRED EXPENDITURE For the Year Ended December 31, 1968

EXPLORATION AND DEVELOPMENT:	December 31, 1967 Balance	Expenditure 1968	December 31, 1968 Balance
Salaries and wages .....	\$ 16,430.52	\$ 46,096.85	\$ 62,527.37
Travel and transportation .....	18,541.15	41,068.02	59,609.17
Diamond drilling supplies .....	11,167.16	19,709.53	30,876.69
Supplies and equipment .....	10,785.43	17,373.32	28,158.75
Insurance, compensation, etc. ....	2,209.74	5,454.85	7,664.59
Telephone and telegraph .....	982.78	1,574.29	2,557.07
Sampling and assaying .....	560.79	3,121.54	3,682.33
Licenses, fees and taxes .....	480.00	4,330.00	4,810.00
Sundry expense .....	75.78		75.78
	<u>\$ 61,233.35</u>	<u>\$138,728.40</u>	<u>\$199,961.75</u>

ADMINISTRATION AND GENERAL:	1968 Expenditure	1967 Expenditure
Office rent and services .....	\$ 2,620.00	\$ 1,500.00
Legal and audit fees .....	4,750.00	3,525.00
Transfer agents fees .....	1,295.66	583.48
Prospectus expense .....	2,111.24	1,368.43
Office and management salaries .....	5,595.00	2,732.50
Office supplies and expense .....	1,584.68	603.77
Travel .....	1,004.54	275.00
Government fees and taxes .....	1,434.96	170.20
Shareholders meetings and reports .....	736.15	
	<u>21,132.23</u>	<u>10,758.38</u>
Interest earned .....	11,349.44	732.72
	<u>9,782.79</u>	<u>10,025.66</u>
Balance, deferred, beginning of the year .....	11,878.19	1,852.53
Balance, deferred, end of the year .....	<u>\$ 21,660.98</u>	<u>\$ 11,878.19</u>

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS For the Year Ended December 31, 1968

SOURCE:	1968	1967
Issue of 350,000 shares of capital stock .....	\$175,000.00	\$ 245,000.00
Issue of 900,000 shares of capital stock .....		732.72
Interest earned .....	11,349.44	
	<u>186,349.44</u>	<u>245,732.72</u>
APPLICATION:		
Exploration and development expenditure .....	138,728.40	53,605.50
Administration and general expenditure .....	21,132.23	10,758.38
Supplies and equipment at or en route to the property .....	65,271.79	47,773.18
Acquisition cost of mining claims .....	3,891.00	1,050.00
	<u>229,023.42</u>	<u>113,187.06</u>
Increase (decrease) in working capital .....	(42,673.98)	132,545.66
Working capital, beginning of the year .....	141,822.99	9,277.33
Working capital, end of the year .....	<u>\$ 99,149.01</u>	<u>\$141,822.99</u>

**AR79**

# **EXPO UNGAVA MINES LIMITED**

**INTERIM PROGRESS REPORT**

**September 20, 1968**



# EXPO UNGAVA MINES LIMITED

SUITE 911, 25 ADELAIDE ST. W. TORONTO, ONTARIO

TO THE SHAREHOLDERS:

We present, herewith, a complete report of diamond drilling results secured on your property in the Wakeham Bay Area of Ungava, and a sketch showing location of holes drilled. The present season's campaign, now ended, extended the known zone of Nickel — Copper bearing mineralization considerably, with both ends still open. 1968 drilling totalled 10,780 feet in 35 holes. Magnetometer surveys and geological mapping indicate that the favourable serpentinite formation extends for a good distance both East and West of the Area in which drilling has been carried on.

In preparation for an expanded program in 1969 supplies and equipment have been shipped from Montreal to Wakeham Bay. They will be transported to the property, a distance of less than fifty miles, late next winter. A good camp has been established in the immediate area of drilling operations and facilities installed which should permit an early beginning of activities next season.

On Behalf of The Board

ROY HAMILTON,

President.

September 20th, 1968

All Diamond Drill Holes vertical except 67-2 which was drilled South at 45 degrees.

### 1967 Drilling:

HOLE NO.	LOCATION	FROM	TO	LENGTH	% NI.	% CU.
67-1	400N 100W	—	—	Drilled off Favourable Formation		
67-2	00 00	386 ft.	410 ft.	24 ft.	1.60	1.45
67-3	00 00	—	—	No Significant Mineralization		
67-4	400S 00	185	302.5	117.5	1.148	1.18
—	—	195.5	218	22.5	1.87	1.61
—	—	282	302.5	20.5	2.386	2.14
67-5	800S 00	—	—	Drilled off Favourable Formation		
67-6	00 400E	56	64	8	2.02	.67
67-7	400S 400E	75	245	170	.63	.55
—	—	180	210	30	1.00	.87
67-8	400S 1200E	158	338	180	.819	1.08
—	—	168	288	120	1.02	1.33

### 1968 Drilling:

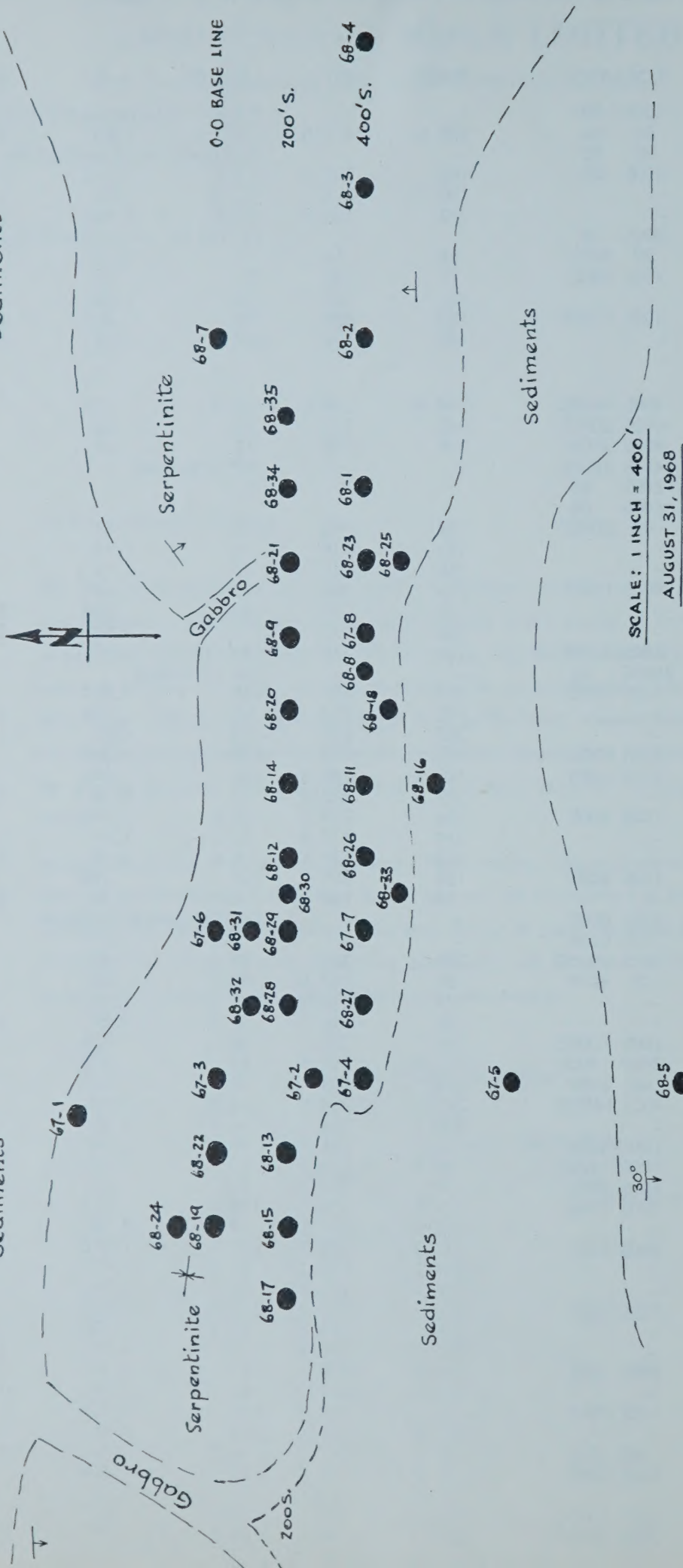
68-1	400S 1600E	264 ft.	304 ft.	40 ft.	.275	.34
68-2	400S 2000E	305	320	15	.25	.30
68-3	400S 2400E	283	298	15	.24	.36
68-4	400S 2800E	—	—	Not completed		
68-5	1200S 00	—	—	" "		
68-6	1600S 00	—	—	" "		
68-7	00 2000E	83	168	85	.51	.44
—	—	133	138	5	1.14	.35
—	—	158	168	10	1.12	.70
68-8	400S 1100E	198	366	168	.656	.945
—	—	198	258	60	.946	1.16
—	—	328	332	4	2.92	2.73
68-9	200S 1200E	156	276	120	.37	.44
68-10	2000S 00	—	—	Not completed		
68-11	400S 800E	167	297	130	.587	.779
—	—	207	257	50	.784	1.262
—	—	207	227	20	1.05	1.56
68-12	200S 600E	97	197	100	.542	.844
68-13	200S 200W	182.5	288.5	106	.542	.563
—	—	282.5	288.5	6	3.38	2.02
68-14	200S 800E	154	279.5	125.5	.743	.743
—	—	244	279.5	35.5	1.61	1.10
—	—	273	279.5	6.5	3.48	2.02
68-15	200S 400W	158	309	151	.393	.487
—	—	158	166	8	1.49	3.47
68-16	600S 800E	—	—	Off Favourable Formation		
68-17	200S 600W	—	—	" "		
68-18	500S 1000E	205	235	30	.43	.33
68-19	00 400W	189	292.5	103.5	.55	.45
—	—	279	292.5	13.5	1.76	.79
—	—	291	292.5	1.5	5.87	1.07
68-20	200S 1000E	203	283	80	.273	.348
68-21	200S 1400E	222.5	252.5	30	.393	.453
68-22	00 200W	103	193	90	.259	.212
68-23	400S 1400E	269.5	304	34.5	1.03	.712
—	—	299.5	304	4.5	4.49	2.26
68-24	100N 400W	176	241	65	.367	.431
68-25	500S 1400E	148.5	158.5	10	.58	.96
68-26	400S 600E	134	209	75	.495	.60
68-27	400S 200E	171.5	309.5	138	.639	.777
—	—	286.5	293.5	7	3.56	3.29
68-28	200S 200E	171.2	292.7	121.5	1.016	1.12
—	—	231.2	292.7	61.5	1.45	1.69
—	—	276.4	292.7	16.3	3.145	3.061
68-29	200S 400E	150	300.9	150.9	1.055	1.29
—	—	236	257.4	21.4	3.00	2.87
—	—	281.9	290.9	9	2.88	2.365
68-30	200S 500E	125	302	177	.76	.795
—	—	255	302	47	1.41	1.59
68-31	100S 400E	120	220	100	.48	.80
—	—	281.5	283.5	2	3.36	.72
68-32	100S 200E	281	297.8	16.8	.42	1.91
68-33	500S 500E	34.7	64.7	30	.838	.56
—	—	54.7	64.7	10	1.69	.92
68-34	200S 1600E	200	370	170	.525	.447
68-35	200S 1800E	200	380	180	.44	.399



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Sediments

Sediments



Serpentine

Serpentine

EXPO UNGAVA MINES LIMITED

Gabbro



# EXPO UNGAVA MINES LIMITED

*Incorporated under the laws of the Province of Ontario*

Head Office:  
Suite 205,  
25 Adelaide Street West,  
Toronto 1, Ontario

Registrar and Transfer Agent:  
Montreal Trust Company,  
15 King Street West,  
Toronto 1, Ontario

## OFFERING

No. of Shares		Price per Share	Net Proceeds to Company*
Firmly Underwritten	Under Option		
50,000		\$1.00	\$ 50,000.00
	150,000	\$1.25	\$ 187,500.00
	150,000	\$1.50	\$ 225,000.00
	150,000	\$1.75	\$ 262,500.00
	149,995	\$2.00	\$ 299,990.00
<u>50,000</u>	<u>599,995</u>		<u>\$ 1,024,990.00</u>

\*There is no obligation upon the underwriter and there is no assurance that any of the optioned shares will be purchased.

## Underwriter-Optionee

# DOBIECO LIMITED

25 Adelaide Street West, Toronto 1, Ontario

## PURPOSE OF OFFERING

The purpose of this Offering is to raise funds for the exploration and development of the Company's mining property in the Province of Quebec as recommended by the Company's consulting engineer, and more particularly set out under the heading "Use of Proceeds".

The Underwriter-Optionee purchasing the unissued treasury shares offered hereby from the Company may be said to realize a gross profit before expenses in an amount equal to the difference of the sale price to the public over the underwriting price.

## MARKET

During the past three months the shares of the Company have traded over-the-counter at varying prices ranging from a high of \$1.29 to a low of 65¢.

## THESE SECURITIES ARE SPECULATIVE

No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder, and any representation to the contrary is an offence.

The date of this Prospectus is June 4th, 1968.

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## HISTORY AND BUSINESS

The Company was incorporated under Part IV of the Corporations Act of the Province of Ontario by Letters Patent dated 24th day of May, 1966 with a capital of \$3,000,000 divided into 3,000,000 shares with a par value of \$1.00 each. The Company was incorporated to engage in the acquisition, exploration, development and operation of mines, mineral lands and deposits. By an Agreement dated the 6th day of June, 1966 the Company purchased one hundred and twenty-two (122) unpatented mining claims, all in one contiguous group, situate in Townships 8029 and 8030, New Quebec Territory, Province of Quebec, which claims were recorded on Miner's Certificates as follows:

Mining Claims 1 to 5 inclusive held on Miner's Certificates 252147 to 252161 inclusive; Mining Claims 1 to 5 inclusive held on Miner's Certificates 252163 to 252169 inclusive; Mining Claims 1 to 5 inclusive held on Miner's Certificates 252171 and 252186; and Mining Claims 4 and 5 held on Miner's Certificate 252162, for 750,000 fully paid and non-assessable shares of its capital stock. These shares accrued to the vendors set out below:

<u>Allottees</u>	<u>Address</u>	<u>Free Shares</u>	<u>Pooled Shares</u>
ROY HAMILTON	330 Spadina Road, Apartment 1601, Toronto, Ontario.	7,812	70,313
CLAYTON WILLIAM KEHOE	500 Avenue Road, Apartment 907, Toronto, Ontario.	12,500	112,500
HENRY JOHN RUSSELL	224 St. George Street, Toronto, Ontario.	3,125	28,125
FRANK ALEXANDER BREULS	1501 Woodbine Avenue, Toronto, Ontario.	3,125	28,125
THOMAS HAROLD McNALLY	30 Morewood Crescent, Willowdale, Ontario.	7,813	70,312
HARRY EDGAR MORDEN	173 Cromwell Street, Sarnia, Ontario.	6,250	56,250
ROBERT SANSONE	15 Craig Crescent, Toronto, Ontario.	12,500	112,500
OSCAR REMOUR WALDEN	17 Ayre Point Road, Toronto, Ontario.	6,250	56,250
LORNE KNAUF SMITH	1374 Broadmoor Avenue, Port Credit, Ontario.	3,125	28,125
DAVID WALLACE KNIGHT	27 Dale Avenue, Toronto, Ontario.	12,500	112,500
		<u>75,000</u>	<u>675,000</u>

Subsequently Thomas Harold McNally sold his free and pooled shares equally to Eugene Dominic Cavotti, 619 Avenue Road, Toronto 7, Ontario and Emilio Pasquale Valentini, 165 Cartwright Avenue, Toronto 19, Ontario. Lorne Knauf Smith has sold his vendor's shares to Rosweld Breuls, 54 Levendale Rd., Richmond Hill, Ontario.

None of the 75,000 free shares received by the vendors will be sold, but are being held by the vendors as an investment.

By an Agreement in writing dated the 1st day of June, 1966, Draper Dobie & Company Limited, 25 Adelaide Street West, Toronto, Ontario, a registered security dealer, acting for its client, Expo Action Investments Limited, subscribed for 400,000 of the Company's unissued treasury shares at 15¢ per share for \$60,000 and

purchased a further 200,000 shares of the Company's capital stock in pursuance of the terms of the said Agreement for a total consideration of \$45,000. 600,000 shares were sold to the public in pursuance of this Agreement prior to cancellation.

By an Agreement in writing dated July 11th, 1967, Expo Action Investments Limited subscribed for 100,000 of the Company's unissued treasury shares at 20¢ per share for \$20,000 and purchased a further 900,000 shares of the Company's capital stock in pursuance of the terms of the said Agreement for a total consideration of \$305,000. This Agreement was fully completed.

Subsequently the Company acquired by staking an additional thirty (30) mining claims contiguous to the claims mentioned aforesaid. The claims are held on Miner's Certificates 254952 to 254957, 1 to 5 inclusive. The claims were staked at a cost of \$1,050.

Subsequently the Company dropped thirty-five (35) mining claims, which were held on Miner's Certificates 252147 to 252160, 1 and 2 inclusive; 252169, 4 and 5; and 252186, 1, 2 and 3.

Subsequently during 1967 the Company staked a further one hundred and thirty-eight (138) mining claims contiguous to the claims mentioned aforesaid. The claims were staked at a cost of \$2,000 and are held on Miner's Certificates 264566-7-8, 1 to 5 inclusive; 264569, 1 to 3 inclusive and 264572 to 264595, 1 to 5 inclusive.

The following is a summary of the report of George Edward Moody, Mining Engineer, dated 8th May, 1968, which report is available for inspection on the files of the Ontario Securities Commission.

The Company's property of 255 contiguous unpatented mining claims, located approximately 60 miles south of Deception Bay on Hudson Strait, is in a general area where in the period 1955-57 a number of nickel-copper discoveries were made. Following a prolonged period of inactivity further exploration by Asbestos Corporation and by New Quebec Raglan Mines Limited (a merger of properties of Raglan Nickel Mines Limited and the Falconbridge interests in that area) has resulted in the development of important deposits of asbestos and nickel-copper respectively.

The Company's Bombardier tractors provide access to nearby lakes suitable for aircraft, and for transportation to the Raglan Lake Camp of New Quebec Raglan Mines Limited. A tote road connects Raglan Lake with Asbestos Hill, which is in turn connected with Deception Bay by a good truck road. Presently the Raglan Lake Camp is serviced by either ski or wheel equipped planes based at Frobisher Bay, where connections are made with scheduled flights by Nordair from Montreal. A radio-telephone will be installed at the Company's camp to communicate through Frobisher with the outside world.

In 1967 a ground magnetometer survey was carried out in the vicinity of the Davidson No. 1 showing and 8 diamond drill holes were put down in this area by the Company. Diamond drill holes numbered 1 and 5 were drilled in sediments and no values were intersected. The other holes were drilled in the ultrabasic sill, and No. 2, bottomed at 462 feet, returned 24 feet assaying 1.60% Ni and 1.45% Cu. Hole No. 3 was drilled to 162 feet and mineralization was noted but no sections considered worth assaying were recovered. Diamond drill hole No. 4 returned 117.5 feet assaying 1.15% Ni and 1.18% Cu, within which were sections of 22.5 feet and 20.5 feet assaying respectively 1.98% Ni and 1.39% Cu, and 2.39% Ni and 2.14% Cu. Diamond drill hole No. 6 gave an intersection of 8 feet assaying 2.02% Ni and 0.67% Cu. Diamond drill hole No. 7 intersected 170 feet grading 0.63% Ni and 0.55% Cu, including 70 feet of 0.89% Ni and 0.72% Cu. Diamond drill hole No. 8 cut 180 feet which assayed 0.82% Ni and 1.08% Cu, including a 100 foot section which assayed 1.15% Ni and 1.33% Cu.

Ni = Nickel.      Cu = Copper.

The encouragement met with during 1967 warrants an enlarged program for 1968 with an estimated cost as follows:

Magnetometer survey .....	\$ 8,000
Diamond drilling — 24,000 feet (including labour, equipment, supplies, transportation) .....	288,000
Supervision and engineering .....	18,000
Miscellaneous and contingencies .....	11,000
TOTAL	\$ 325,000

This estimated total includes considerable equipment and supplies already on the property with an approximate value of \$75,000.00.

It is necessary to project a year ahead to get major supplies and equipment to the property. Sufficient funds should be made available well in advance so that an expanded program of development may be planned for 1969.



The estimates for expenditures during 1969 are based on the premises that continuing encouragement will be met with in the 1968 program and a marked step-up in exploration of the property to evaluate its potential is warranted.

Geophysical and geological surveys (the geologists listed on staff are mainly for looking after the drilling) .....	\$ 24,000
Diamond drilling — 48,000 feet (including labour, equipment, supplies, transportation) .....	576,000
Bulk sampling, metallurgical tests, feasibility studies, etc. ....	38,000
Supplies (other than for drilling), buildings and appurtenances, equipment, maintenance .....	60,000
Flying (including helicopter) and communications .....	24,000
Staff and crew at property — project manager, engineer, geologists, draftsman, helpers, office staff, etc. ....	48,000
Road building and maintenance .....	30,000
Supervision .....	20,000
Miscellaneous and contingencies .....	80,000
<b>TOTAL</b>	<b>\$ 900,000</b>

### AUDITORS

The Auditors of the Company are Neff, Goodwin & Co., Chartered Accountants, 347 Bay Street, Toronto, Ontario.

### REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

No director or senior officer of the Company received remuneration during the last financial year ending December 31st, 1967, and no remuneration has been paid to them during the current financial year to April 30th, 1968 except that the president has received the sum of \$250 per month since July 1st, 1967. Directors and the Treasurer of the Company will be paid the sum of \$25 for each meeting of the Board of Directors attended. The Company agreed to pay its President and Chief Executive Officer the sum of \$250 per month commencing July 1st, 1967 and shall continue to do so.

### MANAGEMENT

The following are the particulars with respect to the present management of the Company.

<u>Name and Address</u>	<u>Position with Company</u>	<u>Principal Occupation</u>
ROY HAMILTON, 330 Spadina Road, Apartment 1601, Toronto, Ontario.	President & Director	Prospector. Self-employed.
FRANK ALEXANDER BREULS, 1501 Woodbine Avenue, Toronto, Ontario.	Vice-President & Director	Retired
BRIAN WILFRED DONALDSON, Apartment 106, 51 Alexander Street, Toronto, Ontario.	Secretary-Treasurer & Director	Corporate Secretary Self-employed.
EUGENE DOMINIC CAVOTTI, 610 Avenue Road, Toronto, Ontario.	Director	Contractor, Secretary of Leaside Contracting Company Limited
DAVID FORSYTH BURT, 195 Glencairn Avenue, Toronto, Ontario.	Director	Barrister & Solicitor, Partner in firm of Burt, Burt, Wolfe & Bowman

Each of the above has held the principal occupation or occupations as indicated for the preceding five years.

### DESCRIPTION OF CAPITAL STOCK

The Company has only one class of stock being \$1 par shares. These shares may be discounted under Part IV of the Ontario Companies Act. All shares issued by the Company rank equally as to dividends. There are no indentures or agreements limiting the payment of dividends. All shares issued by the Company rank equally as to voting power, one vote for each share. At all special or general meetings of the Company two shareholders personally present constitute a quorum. The By-laws of the Company provide that at meetings of shareholders a resolution may be voted upon by a show of hands unless a poll is demanded by a shareholder.

On a show of hands every shareholder present in person shall have one vote. On a poll every shareholder shall have one vote for each share held by him. In each case in the event of a tie vote, the Chairman has a second or deciding vote. There are no conversion rights and there are no special liquidation rights, pre-emptive rights or subscription rights. The presently outstanding Capital Stock is not subject to any call or assessment and the shares offered hereby, when issued and sold as described in this Prospectus, will not be subject to any call or assessment. Certificates representing 675,000 issued shares of the Company are held in escrow as referred to under the section headed "Escrowed Shares".

### CAPITALIZATION

<u>Designation of Security</u>	<u>Amount authorized by Letters Patent</u>	<u>Amount outstanding as of April 30, 1968, (date of balance sheet contained in Prospectus)</u>	<u>Amount outstanding as of May 30/68</u>	<u>Amount outstanding if all securities being issued are sold</u>
Capital Stock	3,000,000	2,350,005	2,350,005	2,400,005
Par Value \$1 per share		(\$505,005.)	(\$505,005.)	(i)

- (i) This figure reflects only the sale of the 50,000 underwritten shares. If the 599,995 shares under option are all taken up and paid for, the number of shares outstanding would be 3,000,000.

The Directors on the 3rd day of May, 1968 passed a Special Resolution authorizing an increase of the capital stock from \$3,000,000 to \$5,000,000 by the creation of an additional 2,000,000 shares of the present value of \$1.00 each. This resolution will be put to the Shareholders at a Special General and Annual Meeting of Shareholders called for the 6th day of June, 1968.

### ESCROWED SHARES

Montreal Trust Company, 15 King Street West, Toronto 1, Ontario, holds in escrow a total of 675,000 shares of the capital stock of the Company subject to release, transfer, hypothecation and/or alienation within the escrow on the written consent of the Ontario Securities Commission and the Board of Directors of the Company, and such other regulatory body under whose jurisdiction the shares of the capital stock of the Company may be qualified for public sale from time to time.

<u>Capital Stock</u>	<u>Number of Shares Held in Escrow</u>	<u>Percentage of Class Based on the Total Issued Capital as at the Date of this Prospectus</u>
Common shares, par value \$1.00 each	675,000	28.55%

### OFFERING

The Company has entered into an agreement dated May 6th, 1968 with Dobieco Limited (hereinafter referred to as the "Underwriter-Optionee") whereby the Underwriter-Optionee, on its own behalf, has agreed to purchase the following shares of the Company.

### UNDERWRITTEN SHARES

<u>Number of Underwritten Shares</u>	<u>Price per Share</u>	<u>Net amount to be received by the Company</u>
50,000	\$1.00	\$50,000.00

The purchase price in the amount of \$50,000.00 is payable within three business days after receipt of advice from the Ontario Securities Commission in its usual form that it has accepted a prospectus by the Company reflecting the terms of the said agreement (which date is hereinafter referred to as the "effective date").

### OPTIONED SHARES

<u>Number of Optioned Shares</u>	<u>Price per Share</u>	<u>Time within which Option Exercisable Calculated from Effective Date</u>
150,000	\$1.25	3 Months
150,000	\$1.50	6 Months
150,000	\$1.75	9 Months
149,995	\$2.00	12 Months

There are no assignments, sub-options or sub-underwritings with respect to the aforementioned underwritten and optioned shares.



The shares will be offered by the Underwriter-Optionee at the best price or prices obtainable. The maximum offering price at any time will not exceed the ceiling established by the Broker Dealers' Association of Ontario which may not be greater than three times the price of the lowest outstanding option.

The Underwriter-Optionee will distribute shares itself or by selling to registered dealers at such discount as may be negotiated or selling through such dealers at a commission not to exceed 25% plus a contribution towards selling costs of 15% or at the usual brokerage rates established by the Toronto Stock Exchange for mining shares. In any event the dealers offering to the public will do so within the limits herein set forth.

Dobieco Limited, a registered Broker-Dealer, is acting solely on its own behalf.

The only persons holding a greater than 5% interest in Dobieco Limited are: David Wallace Knight, 27 Dale Avenue, Toronto, Ontario, and the Estate of Harry William Knight, % Eastern & Chartered Trust Company, 1901 Yonge Street, Toronto, Ontario.

The option agreement further provides that if default occurs in making any of the option payments as therein due the option does not lapse until the Company sends ten days' notice of default and said default is not cured within the said period. The parties to the said agreement understand that in the event of default or waiver thereof or any extension of any option, an amendment to this Prospectus must be filed with the Ontario Securities Commission as soon as practicable and in any event within ten days thereof if the shares of the Company are then in primary distribution.

### USE OF PROCEEDS

The net proceeds to be received by the Company from the sale of the underwritten shares are estimated at approximately \$45,000.00 after deducting expenses of this offering estimated at approximately \$5,000.00. There is no assurance that any of the 599,995 shares under option and referred to under the caption "Optioned Shares" will be purchased, but if all the said shares are purchased the Company would receive an additional \$974,990.00. The net proceeds will be used to defray the cost of the exploration programme referred to under the heading "History and Business" and are estimated to cost \$325,000. Excess moneys will form part of the general working capital of the Company to be used for general operating purposes and further exploration if warranted. While the Company has no plans in this regard at the present time, monies in its treasury, as available, may also be used to defer programmes of acquiring, staking, exploring and developing other properties either alone or in concert with others and to generally carry out exploration programmes as opportunity and finances may permit but monies will not be expended on any new properties acquired without an Amendment to this Prospectus being filed and accepted if the securities of the Company are then in the course of primary distribution to the public. Monies in the Company's treasury will not be used to invest, underwrite or trade in securities other than those that qualify as investments in which life insurance companies may under the laws of Canada invest their funds. Should the Company propose to use monies in its treasury to acquire securities other than as aforementioned after primary distribution of the securities offered by this Prospectus has ceased, approval by the Shareholders will be obtained and disclosure will be made to the regulatory authorities having jurisdiction over the sale of the shares offered by this Prospectus. Additionally, monies will not be advanced to other persons or companies except to the extent necessary to enable the Company to implement its exploration and development programme as set forth in this Prospectus and any Amendment thereto.

### PROMOTER

Expo Action Investments Limited was the Promoter of the Company by virtue of the statutory definition of "promoter" contained in Section 1 (1) 18 of the Securities Act, 1966. At this time Dobieco Limited may be considered the Promoter of the Company.

### INTEREST OF MANAGEMENT IN MATERIAL TRANSACTIONS

Reference is hereby made to the section headed "History and Business" for particulars concerning the Agreement dated the 6th day of June, 1966 whereby the vendors sold the one hundred and twenty-two (122) unpatented mining claims in Quebec to the Company for 750,000 shares.

### PRIOR SALES

In pursuance of the Agreements dated 1st day of June, 1966 and July 11th, 1967 referred to under the section headed "History and Business", 1,600,000 shares of the Company were sold to the public at prices ranging between 21¢ and \$1.29 per share.

The Company has sold for cash from its treasury the number of shares at the prices and times stated in the following table.

<u>Date</u>	<u>Shares Sold for Cash</u>	<u>Price Paid</u>	<u>Amount</u>
May 24, 1966 .....	5	\$ 1.00	\$ 5.00
July 6, 1966 .....	400,000	.15	60,000.00
May 5, 1967 .....	100,000	.20	20,000.00
May 5, 1967 .....	100,000	.25	25,000.00
August 14, 1967 .....	100,000	.20	20,000.00
August 23, 1967 .....	100,000	.25	25,000.00
October 10, 1967 .....	100,000	.25	25,000.00
December 7, 1967 .....	100,000	.30	30,000.00
December 8, 1967 .....	100,000	.30	30,000.00
December 11, 1967 .....	200,000	.35	70,000.00
January 26, 1968 .....	150,000	.40	60,000.00
February 12, 1968 .....	50,000	.40	20,000.00
February 12, 1968 .....	50,000	.45	22,500.00
February 19, 1968 .....	50,000	.45	22,500.00
	<u>1,600,005</u>		<u>\$430,005.00</u>

### PRINCIPAL HOLDERS OF SHARES

No person or corporation beneficially holds more than 10% of the issued capital of the Company.

The Directors and Senior Officers of the Company as a group beneficially own directly or indirectly 194,329 common shares of the Company as follows:

<u>Designation of Class</u>	<u>Percentage of Class</u>
Common Shares	8.26%

### DILUTION

If all the shares offered by this Prospectus are sold, the public will own 75% of the issued and outstanding capital stock of the Company.

### DIVIDENDS

No dividends have been paid to date by the Company.

### PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

The Securities Act, 1966, contains (Sections 63 and 64) certain provisions enabling a purchaser of securities offered in the course of primary distribution to rescind the contract of purchase:

- (a) while the purchaser is still the owner of the securities if the prospectus and any amended prospectus, as of the date of receipt by the purchaser, contains an untrue statement of a material fact or omits to state a material fact in order to make any statement contained therein not misleading, but only if action is commenced within 90 days from the last to occur of the receipt of the prospectus or amended prospectus or the contract of purchase; and
- (b) if the person or company from whom the securities were purchased is notified in writing or by telegraph of the purchaser's intent to rescind not later than midnight of the second day, exclusive of Saturdays, Sundays and holidays, after receipt by the purchaser of the prospectus or amended prospectus. A prospectus or amended prospectus sent by prepaid mail is deemed conclusively to be received in the ordinary course of mail. The receipt thereof by a person or company acting as agent or who thereafter commences to act as agent of the purchaser shall be receipt by the purchaser as of the date of the agent's receipt thereof; however, for purposes of the foregoing, a person or company is not considered to be acting as agent of the purchaser unless the person or company is acting solely as an agent of the purchaser and has not received and has no agreement to receive compensation from or on behalf of the vendor with respect to the purchase and sale. This right of rescission is not available to a registrant or to a purchaser who sells or otherwise transfers beneficial ownership of the securities purchased before the expiration of the time within which rescission may be effected.



## MATERIAL CONTRACTS

The material contracts entered into by the Company to date, copies of which may be inspected at the head office of the Company during normal business hours while the shares offered hereunder are in the course of primary distribution, are as follows:

1. Agreement dated September 7, 1966 between the Company and Draper Dobie & Company Limited relating to the underwriting and optioning of shares of the Company and since cancelled, the same being referred to under the heading "History and Business".
2. Agreement dated July 11th, 1967 between the Company and Expo Action Investments Limited relating to the underwriting and optioning of shares of the Company, and since completed the same being referred to under the heading "History and Business".
3. Agreement dated the 6th day of June, 1966 between the Company and the vendors as set out under the heading "History and Business".
4. Agreement dated May 6th, 1968 between the Company and Dobieco Limited relating to the underwriting and optioning of shares of the Company, the same being referred to under the heading "Offering".

## OTHER MATERIAL FACTS

There are no other material facts.

# EXPO UNGAVA MINES LIMITED

(Incorporated under the laws of Ontario)

## BALANCE SHEET AS AT APRIL 30, 1968

### ASSETS

#### CURRENT ASSETS:

Cash .....	\$ 13,226.22	
Cash on deposit .....	245,000.00	
Accrued interest .....	539.48	
Prepaid insurance .....	611.00	\$259,376.70
		<hr/>
Mining properties — at cost (note 1) .....		78,050.00

#### DEFERRED EXPENDITURE:

Supplies and equipment at or on route to the property — at laid down cost ....	\$ 84,655.40	
Exploration and development .....	69,845.61	
Administration and general .....	11,363.66	
Organization expense .....	4,365.07	170,229.74
		<hr/>
		<u>\$507,656.44</u>

### LIABILITIES

#### CURRENT LIABILITIES:

Accounts payable .....	\$ 2,651.44
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### SHAREHOLDERS' EQUITY

#### CAPITAL STOCK:

Authorized: 3,000,000 shares of \$1.00 each

#### Issued and fully paid:

For cash .....	1,600,005 shares	\$ 1,600,005.00	
Less: Discount .....		1,170,000.00	
		<hr/>	\$ 430,005.00
For mining claims .....	750,000 shares	\$750,000.00	
Less: Discount .....		675,000.00	75,000.00
	<hr/>	<hr/>	<hr/>
	2,350,005 shares		505,005.00
			<u>\$507,656.44</u>

See notes to financial statement.

Approved on behalf of the Board:

ROY HAMILTON, Director.

B. W. DONALDSON, Director.



# EXPO UNGAVA MINES LIMITED

## NOTES TO FINANCIAL STATEMENT

APRIL 30, 1968

### 1. MINING PROPERTIES:

255 unpatented mining claims in Townships 8029 and 8030, New Quebec Territory, Province of Quebec acquired as follows:

87 claims acquired for 750,000 shares of capital stock valued by the directors at 10 cents per share .....	\$75,000.00
168 claims at cost of staking — cash .....	3,050.00
	<u>\$78,050.00</u>

### 2. CAPITAL STOCK:

Under an agreement dated May 6, 1968 the Company has agreed to sell 50,000 shares of capital stock for \$50,000.00 cash payable within three days of the acceptance for filing of the Company's Prospectus with the Ontario Securities Commission (the effective date). Options are outstanding on a further 599,995 shares as follows:

150,000 shares at \$1.25 per share exercisable within 3 months of the effective date.
150,000 shares at \$1.50 per share exercisable within 6 months of the effective date.
150,000 shares at \$1.75 per share exercisable within 9 months of the effective date.
149,995 shares at \$2.00 per share exercisable within 12 months of the effective date.

### 3. CAPITAL STOCK:

The Directors of the Company passed a special resolution on May 3, 1968 authorizing the application for Supplementary Letters Patent increasing the authorized capital stock of the Company from \$3,000,000.00 to \$5,000,000.00 by the creation of an additional 2,000,000 shares of \$1.00 each. This special resolution is subject to approval by the Company's shareholders.

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the accompanying balance sheet of Expo Ungava Mines Limited as at April 30, 1968 and the statements of deferred expenditure and source and application of funds for the period from incorporation May 24, 1966 to April 30, 1968. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at April 30, 1968 and the results of its operations and the source and application of its funds for the period then ended, in accordance with generally accepted accounting principles applied on a consistent basis.

TORONTO, Canada,  
May 24, 1968.

NEFF, GOODWIN & CO.,  
Chartered Accountants.

# EXPO UNGAVA MINES LIMITED

## STATEMENT OF DEFERRED EXPENDITURE

FOR THE PERIOD FROM INCORPORATION MAY 24, 1966 TO APRIL 30, 1968

	May 24, 1966 to December 31, 1966	Year Ended December 31, 1967	Four Months Ended April 30, 1968	Balance April 30, 1968	For Comparison Four Months Ended April 30, 1967
EXPLORATION AND DEVELOPMENT:					
Salaries and wages .....	\$1,913.46	\$14,517.06	\$ 656.65	\$17,087.17	\$ 300.00
Travel and transportation .....	4,209.50	14,331.65	1,363.84	19,904.99	20.00
Diamond drilling supplies .....		11,167.16		11,167.16	
Supplies and equipment .....	784.72	10,000.71	454.79	11,240.22	37.13
Insurance, compensation, etc. ....	283.51	1,926.23	388.50	2,598.24	134.75
Telephone and telegraph .....	256.66	726.12		982.78	435.35
Sampling and assaying .....		560.79	1,518.48	2,079.27	
Licenses, fees and taxes .....	180.00	300.00	4,230.00	4,710.00	
Sundry expense .....		75.78		75.78	
	<u>\$7,627.85</u>	<u>\$53,605.50</u>	<u>\$8,612.26</u>	<u>\$69,845.61</u>	<u>\$ 927.23</u>
ADMINISTRATION AND GENERAL:					
Office rent and services .....	\$ 600.00	\$ 1,500.00	\$ 835.00	\$ 2,935.00	\$ 400.00
Legal and audit fees .....	150.00	3,525.00	250.00	3,925.00	175.00
Transfer agents fees .....	545.19	583.48	532.94	1,661.61	125.00
Printing prospectus .....		1,368.43		1,368.43	198.23
Office and management salaries .....		2,732.50	1,890.35	4,622.85	
Office supplies and expense .....	496.34	603.77	187.83	1,287.94	412.13
Travel .....	56.00	275.00	241.04	572.04	75.00
Government fees and taxes .....	5.00	170.20	145.00	320.20	124.20
	<u>\$1,852.53</u>	<u>\$10,758.38</u>	<u>\$4,082.16</u>	<u>\$16,693.07</u>	<u>\$1,509.56</u>
Less: Interest earned .....		732.72	4,596.69	5,329.41	
	<u>\$1,852.53</u>	<u>\$10,025.66</u>	<u>\$ (514.53)</u>	<u>\$11,363.66</u>	<u>\$1,509.56</u>



# EXPO UNGAVA MINES LIMITED

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE PERIOD FROM INCORPORATION MAY 24, 1966 TO APRIL 30, 1968

	May 24, 1966 to December 31, 1966	Year Ended December 31, 1967	Four Months Ended April 30, 1968	For Comparison Four Months Ended April 30, 1967
<b>SOURCE:</b>				
Issue of capital stock .....	\$60,005.00	\$245,000.00	\$125,000.00	\$45,000.00
Interest earned .....		732.72	4,596.69	
	<u>\$60,005.00</u>	<u>\$245,732.72</u>	<u>\$129,596.69</u>	<u>\$45,000.00</u>
<b>APPLICATION:</b>				
Exploration and development expenditure .....	\$ 7,627.85	\$ 53,605.50	\$ 8,612.26	\$ 927.23
Administration and general expenditure .....	1,852.53	10,758.38	4,082.16	1,509.56
Supplies and equipment at or on route to the property .....	36,882.22	47,773.18		
Acquisition cost of mining claims .....		1,050.00	2,000.00	
Organization expense .....	4,365.07			
	<u>\$50,727.67</u>	<u>\$113,187.06</u>	<u>\$ 14,694.42</u>	<u>\$ 2,436.79</u>
Increase in working capital .....	\$ 9,277.33	\$132,545.66	\$114,902.27	\$42,563.21
Working capital, beginning of the period .....		9,277.33	141,822.99	9,277.33
Working capital end of the period .....	<u>\$ 9,277.33</u>	<u>\$141,822.99</u>	<u>\$256,725.26</u>	<u>\$51,840.54</u>
Shares issued for cash .....	<u>400,005</u>	<u>900,000</u>	<u>300,000</u>	<u>200,000</u>

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of The Securities Act, 1966 and the regulations thereunder.

DATED this 4th day of June, 1968.

#### DIRECTORS

ROY HAMILTON  
Chief Executive Officer

B. W. DONALDSON  
Chief Financial Officer

D. F. BURT  
Director

F. A. BREULS  
Director

#### PROMOTER DOBIECO LIMITED

D. J. COULTER, Secretary

D. W. TYNDALL, Treasurer

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of The Securities Act, 1966 and the regulations thereunder.

#### DOBIECO LIMITED

D. J. COULTER, Secretary

D. W. TYNDALL, TREASURER





